



AVIATION SECTOR TO RESCUE ARAB ECONOMIES HIT BY CHEAP OIL?

News / Airlines



Countries are pumping in billions of dollars to expand existing airports and build new ones.

Airports in the Arab world see billions of dollars in the form of new investments, as countries in the region stepped up their efforts to boost the aviation sector.

The oil rich economies, hit by the major decline in crude prices since June 2014, could be looking at the sector as a catalyst for their developments in non-hydrocarbon sectors. The latest figures show that they are pumping in billions of dollars to expand existing airports and build new ones.

There are \$32.7bn worth of airport investments underway or planned in the UAE alone, while Saudi Arabia, the biggest economy in the region, recently announced its plan to privatise Jeddah and Dammam airports in 2017 to attract more funding from foreign companies.

UAE

Dubai has planned to invest more than \$8bn into its Al Maktoum International Airport as part of a broader push into the cargo-moving business and passenger traffic. The partly operational airport

has a projected annual capacity of 12 million tonnes of freight and 160 to 260m passengers. The expansion is set for completion in 2022.

The emirate's aviation sector is projected to support more than a million jobs by 2030, with the total economic impact on the emirate set to grow to \$88.1bn, according to research firm Oxford Economics.

Abu Dhabi is planning to open its new Midfield Terminal building in July 2017. The \$2.9bn terminal, spread across 700,000 square metres, will be able to process 48m passengers by 2025.

Meanwhile, the \$600m Ajman International Airport is scheduled to be completed by 2018. It is expected to handle more than 1m passengers annually.

Sharjah is also investing massively to expand its airport with a 2030 master plan.

Saudi Arabia

Saudi Arabia's civil aviation authority said earlier this month it would privatise Jeddah and Dammam airports in 2017.

The announcement follows the General Authority of Civil Aviation (GACA)'s decision, taken in November last year, to privatise the kingdom's international and domestic airports, according to a five-year scheme that will begin in 2016.

Jeddah's King Abdulaziz International Airport has earmarked more than 1.5bn for a three-stage development to boost passenger-handling capacity to 85m passengers with the completion of third phase.

Oman

Oman has planned to invest \$6.1bn over five years to build four new regional airports at Sohar, Ras al Hadd, Duqm and Adam, in addition to the expansion of existing ones in Muscat and Salalah.

Bahrain

With a \$1bn expansion, Bahrain is building a new passenger terminal of more than 150,000 sq m at its international airport to increase its capacity to 13.5m passengers every year.

Globally, the spending on airport construction projects has topped \$441bn, according to the Centre for Asia Pacific Aviation (CAPA).

(Dubai is gearing up for the 16th edition of Airport Show which is slated to take place from May 9 to 11 at the Dubai International Convention and Exhibition Centre)

14 JANUARY 2016

SOURCE: AMEINFO

ARTICLE LINK:

<https://50skyshades.com/news/airlines/aviation-sector-to-rescue-arab-economies-hit-by-cheap-oil>